

2009/2010
HOME CHDO Program
NOTICE OF FUNDING AVAILABILITY
(NOFA)



RELEASE DATE: MARCH 19, 2010
DUE DATE: APRIL 19, 2010



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The Louisiana Housing Finance Agency (LHFA) is seeking proposed projects from LHFA-certified Community Housing Development Organizations with the qualifications and capacity to develop affordable housing for low- and very low-income households. The LHFA is making available federal HOME Investment Partnerships Act funds (CFDA No. 14.239) through the HOME Community Housing Development Organization (CHDO) Program to promote the development of affordable single family homeownership and affordable rental projects. Eligible projects may involve (1) the acquisition and rehabilitation of existing dwelling units for sale, rent, or lease purchase and (2) the acquisition of building lots and the construction of new dwelling unit for sale, rent, or lease purchase that meets the needs of low- and very low-income. Eligible activities may also include buyer subsidy in the form of soft seconds developed by CHDO. The LHFA is prepared to allocate up to **\$3,000,000.00** in financial assistance through the HOME CHDO Program under this Notice of Funding Availability (NOFA). The amount of financial assistance that will be allocated to eligible projects under this NOFA will be limited to availability of HOME CHDO set-aside funds.

The financial assistance for eligible projects will be made in the form of grants, deferred payment loans, and forgivable loans. All soft-seconds and buyers subsidy. **The maximum amount of funds that can be received by any one CHDO under this NOFA is \$500,000.** A minimum of five (5) units must be assisted for each project assisted under this NOFA.

Eligible affordable development proposals include the acquisition and rehabilitation of existing dwelling units, and the acquisition of building sites and/or the construction of improvements including water lines, sewer lines, sewage disposal systems, gas lines, electric lines, roads, curbs, gutters, sidewalks, and other land improvements necessary to prepare the site for the construction of affordable single-family dwelling units for low- and very low-income families. Predevelopment grant and homebuyer downpayment assistance are also eligible activities under this NOFA subject to other restrictions.

All dwelling units assisted under the HOME CHDO Program shall comply with the applicable federal, State and local codes and ordinances, the rules and regulations for affordable homeownership housing set forth at 24 CFR 92.254, Subpart H--“Other Federal Requirements” (such as Affirmative Marketing, Lead-Based Paint Poisoning Prevention Act), and the rules and regulations set forth in 24 CFR Part 92 including Model Energy Code.

MATCHING CONSIDERATION: Use of HOME funds under this NOFA generates a match liability of 25% of the funds awarded. Priority will be given to projects that generate the greatest match contribution.

All projects generate match. The Submission Period is March 19, 2010 until 4:30 PM April 19, 2010. Late submissions will not be accepted. All application must be submitted on these forms and these forms must be completed. You may submit additional information after the final attachment that you feel will provide necessary additional information but this may not substitute for information requested in the official forms.

HOME CHDO Program Proposals that are determined to be complete and meet CHDO Program Guidelines will be reviewed and evaluated according to the established Review Evaluation Criteria. Each proposal will be scored by multiple reviewers, and the scores will be averaged to achieve a final score. Subject to CHDO Program funding availability, projects determined to be the most competitive will be selected for assistance through the HOME CHDO Program. Upon receipt of project proposals, the LHFA reserves the right to request additional information and/or reject any or all proposals.

CHDOs should carefully review the HOME Program Regulations prior to submitting a HOME CHDO Program Proposal. Guidelines and answers to questions that may arise in completing the proposal are available by contacting *Robert McNeese at rmcneese@lhfa.state.la.us . Only written communication is allowed during the application period.*

PROPOSAL SUBMISSION PROCESS

The LHFA has developed the following proposal submission process that is designed to expedite the review of proposals and reservation of funds. The initial step has been developed to identify and reserve funds for eligible proposals. The second step has been developed to evaluate eligible proposals against specific evaluation criteria. The principle steps in the submission and revaluation process are outlined hereafter.

1. Applicants should submit an original and two (2) copies of the HOME CHDO Program Proposal and required attachments for review and consideration by the LHFA. The HOME CHDO Program project will be evaluated in accordance with the established Evaluation Criteria for each type of project. The HOME CHDO Program Proposals will be reviewed within ten (10) days of receipt by the LHFA. Proposals must include sufficient information to allow the comprehensive review and analysis of the proposed project. The final proposal must be typed and/or electronically prepared and printed on the prescribed form.
2. If the HOME CHDO Program Proposal is approved by the LHFA, the LHFA will issue a Commitment and Approval Letter. The applicant should be prepared to close the project grant within thirty (60) days of the Commitment and Approval Letter.

Completed applications and project proposals should be mailed or delivered to:

Robert McNeese
HOME Program Manager
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

EVALUATION CRITERIA: CHDO PROPOSALS

Proposed CHDO projects will be reviewed and scored on a competitive basis relative to the evaluation criteria below. The maximum possible score is 145 points. Proposed projects must receive a minimum average score of 90 points and have not received project funding from LHFA for the past 12 months to be eligible for funding under this application. A score above the minimum average score does not guarantee funding.

1. EXPERIENCE AND QUALIFICATIONS (maximum 15 points)

Developer has successfully completed project similar in size and scope.	15
Completed similar project but smaller in size and scope.	10
Consultant directly involved who has completed project similar in size and scope.	8

2. PROJECT BUDGET (maximum 10 points)

Project budget is complete and anticipated development costs are reasonable.	10
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3. SOURCES & USES OF FUNDS (maximum 10 points)

All sources and uses of funds are clearly indicated and sufficient evidences of funding availability and/or commitments are included.	10
All sources and uses of funds are clearly indicated, but evidence of funding availability and commitments are incomplete.	5

4. LEVERAGING (maximum 15 points)

CHDO Program Funding Relative to Total Project Costs Equals:

25% or less	15
26% - 50%	12
51% - 75%	9
76% - 90%	6

5. **AVERAGE CHDO SUBSIDY PER UNIT** (maximum 20 points)

Less than \$10,000	20
\$10,001 - \$20,000.....	15
\$20,001 - \$30,000.....	10
\$30,001 - \$40,000.....	5

6. **PROJECT READINESS & DEVELOPMENT SCHEDULE** (maximum 10 points)

All projects developed under this Program can realistically be sold or rented following LHFA approval:

<u>Acquisition/Rehabilitation of Existing Properties</u>	<u>New Construction Projects</u>	
Within 6 months.....	Within 12 months.....	10
Within 9 months.....	Within 18 months.....	8
Within 12 months.....	Within 24 months.....	6
Within 15 months.....	Within 30 months.....	4

7. **AFFORDABILITY – Sale or Lease Purchase Projects** (maximum 10 points)

CHDO staff will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with CHDO funds must be affordable to families with incomes of eighty percent (80%) of the area median family income or below.

Affordability data realistically estimates principal, interest, taxes, and insurance for subject properties. Twenty-five percent (25%) of the homes will be affordable to families with incomes as low as 60% of the area median family income. 10

Affordability data realistically estimates principal, interest, taxes, and insurance for subject properties. Fifty percent (50%) of the homes will be affordable to families with incomes as low as 60% of the area median family income. 8

Affordability data realistically estimates principal, interest, taxes, and insurance for subject properties. Seventy-five percent (75%) of the homes will be affordable to families with incomes as low as 60% of the area median family income. 6

Affordability data realistically estimates principal, interest, taxes, and insurance for subject homeownership properties. All housing will be affordable to families with incomes as low as 60% of the area median family income. 4

7. **AFFORDABILITY – Rental Projects** (maximum 10 points)

Affordability data realistically estimates total construction costs and 100% of units will be affordable to families at or below 50% AMI for the area. 10

Affordability data realistically estimates total construction costs and 100% of units will be affordable to families at or below 60% AMI for the area. 8

Affordability data realistically estimates total construction costs and 90% of units will be affordable to families at or below 60% and remainder will be affordable to those at or below 70% AMI for the area.7

Affordability data realistically estimates total construction costs and 90% of units will be affordable to families at or below and remainder is affordable to those at or below 80% AMI for the area.6

8. **PROJECT COMPLETION RECORD** (maximum 20 points)

The CHDO staff will review and consider the applicant's prior performance in the completion of projects on a timely basis.

Applicant has completed all projects on a timely basis. 20

Applicant has had minor difficulty in completing projects on a timely basis. 15

Applicant has had major difficulty in completing projects on a timely basis. 10

Applicant has been unable to complete any projects on a timely basis. 5

9. **SAMPLE PRELIMINARY PLOT PLANS & ELEVATIONS** (maximum 10 points)

Sample floor plans and elevations include design features that are consistent with existing neighborhood housing stock. 10

Sample floor plans and elevations reflect a significant effort to add interest and curb appeal to elevations. 7

Sample floor plans and elevations reflect some effort to add interest and curb appeal to elevations. 4

10. **MARKETING/HOMEBUYER PIPELINE** (maximum 5 points)

Have commitments from enough prequalified eligible homebuyers or renters to effectively pre-sell/lease all housing. 5

Have established relationships with Realtors and/or others who have successfully secured eligible buyers/renters in the past. Or have a demonstrated organizational track record for of same 3

11. **HOMEBUYER EDUCATION** (maximum 5 points)

Commitment from experienced homeownership counseling entity to provide appropriate education to prospective buyers. Appropriate curriculum is outlined.	5
Homebuyer education will be provided, but curriculum is limited and provider is less experienced.	2

12. **NEIGHBORHOOD SUPPORT** (maximum 10 points)

Proposal application includes letters of support from all local neighborhood organizations in the area of the proposed project.....	10
Demonstrated effort to gain support from local neighborhood organizations.	5

13. **MBE/WBE PARTICIPATION** (maximum 5 points)

Entities anticipated to be involved in implementing the project include registered Louisiana minority- or women-owned business enterprises (MBE/WBE).	5
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PROPOSAL HOME CHDO PROGRAM

Project Name _____

Project Address(es): _____ Zip Code: _____

Project Type (check all that apply): ☐ Acquisition ☐ Rehabilitation
☐ New Construction ☐ Homebuyer Assistance

Tenure Type: ☐ Homeowner ☐ Rental

of Units: _____ Amount of CHDO Funds Requested: \$ _____

Role of CHDO in Project (check all that apply): ☐ Owner ☐ Developer ☐ Sponsor

1. CHDO Information (CHDO has to be the Developer)

Organization Name _____

Street Address _____

City _____ State, Zip _____ Telephone _____

Contact Person _____ Contact's Telephone _____

CHDO's Federal Tax ID Number or Social Security Number _____

The applicant/developer certifies that the information and exhibits comprising this proposal are true and correct. *Unsigned/undated submissions will not be considered.*

Legal Name of Developer _____

Signature of Authorized Officer _____

Title _____

Date _____

2. Board Authorization

Include a copy of the Board of Directors' resolution approving the proposed project and authorizing the request for funding. Attach a copy of the Articles of Incorporation, Bylaws, and list of current officers if significant changes has occurred since certification.

3. Narrative Description of Project. In two pages or less, describe the project including the information listed below.

- a. Location by street address and include an area map with the properties indicated.
- b. Type of structure (multifamily or single-family/ rental or homeownership), square footage, number and size of units, bedroom/bathroom composition.
- c. If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.
- e. Proposed tenants including number and type of individuals to be served, and yearly income relative to 30%, 50%, 60%, or 80% MFI (see HOME Program Income Limits). If the project will serve families with special needs, describe the population to be served and the outreach or referral plan that will be used to publicize the availability of housing and/or supportive services and homeownership counseling services.
- e Units accessible and adaptable for persons with mobility, sight, or hearing disabilities.
- f. Whether the project is occupied at the time of proposal submission.
- g. Compatibility with current Neighborhood Local or State Consolidated Plans (if applicable).
- h. In addition to providing an Itemized Development Budget through your response to Item 10, summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of LHFA funds requested, amount and provider of other funding, and the stage of those commitments.

4. Site Control and Demonstration of Value

If the sites are known at the time this application is submitted, include evidence of site control such as warranty deed or current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the subject. Tax documentation for a comparable property recently constructed by the developer may be sufficient to estimate after-construction value, depending upon the location and similarity of the recently-developed property. If the sites are not known, indicate when the sites will be known and when the previously requested documentation would be able to be provided.

5. Zoning

If the sites are known at the time this application is submitted, include a letter from the local jurisdiction verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to the local jurisdiction. Should the project receive funding approval, appropriate zoning must be in place prior to executing loan documents. If funds are being provided for acquisition of single-family lots for undetermined sites, LHFA will only reimburse costs associated with the acquisition of lots for which zoning documentation was provided prior to the acquisition.

6. Tenant Relocation

If the project is occupied at the time of proposal submission, include a Tenant Relocation Plan. The developer is responsible for providing tenant relocation assistance should the proposed project require or result in the temporary or permanent displacement of current tenants. The Plan must include, at a minimum, the following:

- a. Total number of households in the project and number to be permanently or temporarily displaced.
- b. A list and description of all households to be temporarily or permanently displaced (include current address, name, family size, and ages of individuals).
- c. Circumstances under which the displacement is necessary.
- d. Description of assistance to be provided and a schedule for assistance.
- e. Source(s) of funds to be used for relocation assistance.
- f. Procedures/methods by which those being displaced will be advised of their rights and available assistance.

7. Development Team

Identify the entities anticipated to be involved in implementing the project including lenders, attorneys, accountants, architects, engineers, general contractor, subcontractors, homebuyer education providers, and consultants. Also, indicate if any entity is a minority- or women-owned business enterprise (MBE/WBE) or if any of the entities are also a CHDO.

Name(s)	Comments on Role	MBE?	WBE?	CHDO?
Owner				
Developer				
Architect				
Engineer				
Construction Lender				
Potential Mortgage Lenders				
Attorney				
Accountant				
General Contractor				
Consultant (if applicable)				
Homeownership Counseling Provider				
Marketing Agent or Realtor				
Other				

8. **Development Schedule.** Complete the grid below. Reorder the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

	Date(s)
Acquisition and/or Holding	
Environmental and/or Historic Review	
Securing Prequalified Prospective Buyers	
Homeownership Counseling	
Construction Specifications and Cost Estimates	
Construction Bids	
Construction Start	
Anticipated Draws (list all)	
End Construction	
Sign Sales Contract(s)	
Close on Home Sale(s)	

9. **Experience and Qualifications--Homeownership Development and Sale**

- a. Is this the developer's first housing project? ☐ Yes ☐ No
- b. Completed projects (complete table below)

COMPLETED PROJECTS				
Address	# of Units	New or Rehab	For Rent or Homeownership	Year Completed

- c. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement the proposed project. Of particular importance is the developer's experience with successfully completing (a) projects that triggered Davis-Bacon and other Federal Labor Standards; (b) projects involving temporary or permanent relocation of tenants; or (c) projects involving the testing and appropriate treatment of lead-based paint and/or asbestos if the proposed project will involve any of those three dimensions. If this is the CHDO's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.

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10. Detailed Project Budget

Use the following table to provide a complete project budget. Add line item categories as necessary.

DETAILED PROJECT BUDGET		
	Cost	Description
PREDEVELOPMENT		
Appraisal		
Environmental Review		
Engineering		
Survey		
Architectural		
<i>TOTAL PREDEVELOPMENT</i>		
ACQUISITION		
Site and/or Land		
Structures		
Other (specify)		
<i>TOTAL ACQUISITION</i>		
HARD COSTS		
<i>TOTAL CONSTRUCTION</i>		
SOFT & CARRYING COSTS		
Legal		
Audit/Accounting		
Title/Recording		
Architectural (Inspections)		
Construction Period Taxes		
Relocation		
Marketing		
Other (specify)		
<i>TOTAL PROJECT COSTS</i>		

NOTE: Total Developer's Fee and Management Cost limited to 15%

11. **Funds Proposal.** Provide the following information to facilitate financial review of the proposed project.
 - a. **Sources and Uses of Funds**--Complete **Tables A and B** below, identifying all sources and uses of funds to implement the project. Include evidence of funds anticipated (financial statements, letters of commitment, etc.)
 - b. **Leveraging**--Complete **Table C** below. Include evidence of other funds leveraged by LHFA funds to implement the project such as owner equity and commitments from private and/or other public resources.

- c. **Affordability Data**--Complete **Table D** below. The data you provide in Table D will be used by CHDO staff to assess the affordability of the project for individuals of various family sizes and income levels.

TABLE A. SOURCES OF FUNDS PROPOSAL					
	Term	Interest Rate	Amount	Evidence of Funds	Use of Funds
Owner Equity					
Private Financing (list lenders below)					
Other Sources (list below)					
Proposed CHDO Funds					

TABLE B. USES OF FUNDS SUMMARY		
	Total Cost	Cost Per Unit
Predevelopment Costs*		
Acquisition Costs		
Hard Costs		
Soft & Carrying Costs		
Other Costs		
Total Project Costs		

***HOME CHDO Funds may not be used for Predevelopment Costs**

TABLE C. LEVERAGE SUMMARY	
TOTAL CHDO FUNDS	
TOTAL OTHER FUNDS	

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TABLE D. AFFORDABILITY DATA - Homeowner				
	House Model One	House Model Two	House Model Three	House Model Four
Number of Bedrooms				
Square Footage				
Anticipated Sale Price				
Borrower Contribution				
Homebuyer Subsidy (list all sources separately)				
Total Principal Amount of Mortgage				
Anticipated Interest Rate				
Monthly Principal Amount				
Monthly Interest				
Estimated Monthly Taxes				
Estimated Monthly Insurance				
<i>TOTAL ESTIMATED PITI</i>				

TABLE D. AFFORDABILITY DATA - Rental				
	Apartment One Bedroom	Apartment Two Bedroom	Apartment Three Bedroom	Apartment Four Bedroom
Total Number of Units				
Square Footage				
Anticipated Rent				
Utility Allowance				
Rent After Utilities				
Anticipated Yearly Rent Increase				
Year 1 Vacancy Rate				
Stabilized Vacancy Rate				
Anticipated Interest Rate				
Anticipated Other Income				
Anticipated Increase in Other Income				
Anticipated Total Operating Costs				
Anticipated Annual Increase in Operating Costs				
Reserve for Replacement (Required @ \$300.00 per unit minimum)				

12. Marketing and Selling of Homes

Describe your process and timing for marketing rental property and in the marketing and selling the homeownership properties. If homes are being presold/leased, indicate how many prequalified buyers have signed a purchase contract. If your organization maintains a waiting list of individuals interested in purchasing a home from your organization, indicate how many families are on the waiting list and how many of those families are prequalified with a mortgage lender. Indicate who will be responsible for marketing and selling the homes and/or managing rental property. If the CHDO contracts with a Realtor for marketing and sales, provide a history of the relationship, indicating how many homes the Realtor has sold on behalf of the CHDO during what period of time.

13. Description of Homeownership Education Component

Indicate whether homebuyer education is to be provided to prospective buyers. If homeownership education will be provided, provide the following in one page or less:

- a. The name and contact information for the provider.
- b. If the services are not provided by the developer of the project, provide a description of the organization providing the homebuyer education and a memorandum of understanding outlining the relationship between the developer and service provider.
- c. How many families the provider has counseled in the past two (2) years.
- d. A description of the homebuyer education curriculum to be used (content, time requirements, format and frequency of sessions).

14. Neighborhood and Local Government Support

Include letters of support from local organizations and governmental entities within the area of the proposed project.

15. Building Plans

Submit a copy of preliminary floor plans and elevations of homes to be constructed or rehabbed as part of the project.

16. Demand for Project

For projects with 10 or more units a formal current market study must be provided. For project with 9 or fewer units you must provide enough detailed information to demonstrate a housing shortage and the need for the type of housing proposed.

**AFTER THIS PAGE ATTACH A COPY OF THE BOARD OF
DIRECTORS' RESOLUTION**

**AFTER THIS PAGE ATTACH A COPY ARTICLES OF
INCORPORATION
(If Significant changes occurred since certification)**

**AFTER THIS PAGE ATTACH A COPY OF CHDO BY LAWS
(If significant changes occurred since certifications)**

**AFTER THIS PAGE ATTACH A COPY OF CURRENT OFFICERS AND
BOARD MEMBERS
(Only if Board Members New Board Members have been added or deleted.)**

**3-A AFTER THIS PAGE ATTACH A DETAILED COPY OF THE
PROJECT DESCRIPTION**

4-A AFTER THIS PAGE ATTACH A COPY SITE CONTROL

**5-A AFTER THIS PAGE ATTACH A COPY ZONING
DOCUMENTATION**

**6-A) AFTER THIS PAGE ATTACH A COPY TENANT RELOCATION
PLAN
(If Applicable)**

**12-A) AFTER THIS PAGE ATTACH A COPY OF THE MARKETING
PLAN**

**13-A) AFTER THIS PAGE ATTACH A COPY LETTER OF INTENT TO
COOPERATE FROM A HOMEOWNERSHIP EDUCATION PROVIDER**

**13-B) AFTER THIS PAGE ATTACH A COPY OF THE HOMEBUYER
EDUCATION CURRICULUM**

**13-C) AFTER THIS PAGE ATTACH A COPY HOMBUYER EDUCATION
PROVIDER EXPERIENCE**

**14-A) AFTER THIS PAGE ATTACH A COPY NEIGHBORHOOD AND
LOCAL GOVERNMENT SUPPORT**

**15-A) AFTER THIS PAGE ATTACH A COPY BUILDING PLANS AND
ELEVATIONS**

16-A) AFTER THIS PAGE ATTACH THE FOLLOWING MAPS:

- 1) FLOOD PLAN**
- 2) PHYSICAL SETTING**

**17 A) AFTER THIS PAGE ATTACH DETAILED 15 YEAR OPERATING
PROFORMA
(RENTAL PROJECTS ONLY)**